

# City of St. Louis

## Community Development Administration

Spring 2015 NOFA  
Awards Workshop Presentation  
July 17, 2015

# Notice of Funding Availability (NOFA)

CDA intent was to award up to \$2,000,000 in development assistance this funding round.

The Spring 2015 NOFA solicited applications for residential developments to be financed from the following sources:

- \$1,000,000 – CDBG
- \$1,000,000 – HOME

# Summary of Proposals Received

- 23 Application Proposals
  - 233 total housing units
    - 201 rehabilitation
    - 32 new construction
  - 41 LRA-owned parcels
  - 24 properties identified by RFP
- More than \$8.5M total funding requests

# Award Considerations

- Limited Funding Available
  - Unable to fund every quality proposal
  - Did not award full amount of funding requested by applicant in most cases
    - Bridge Loans, Secured by Tax Credits
  - Leveraged CDA Assistance Requests
  - Prioritized MVA Target Areas

# Award Summary

\$2,895,000 Total CDA Assistance Awarded

(final breakdown of funding sources & amounts subject to E&A Approval)

9 Applications Approved for Funding

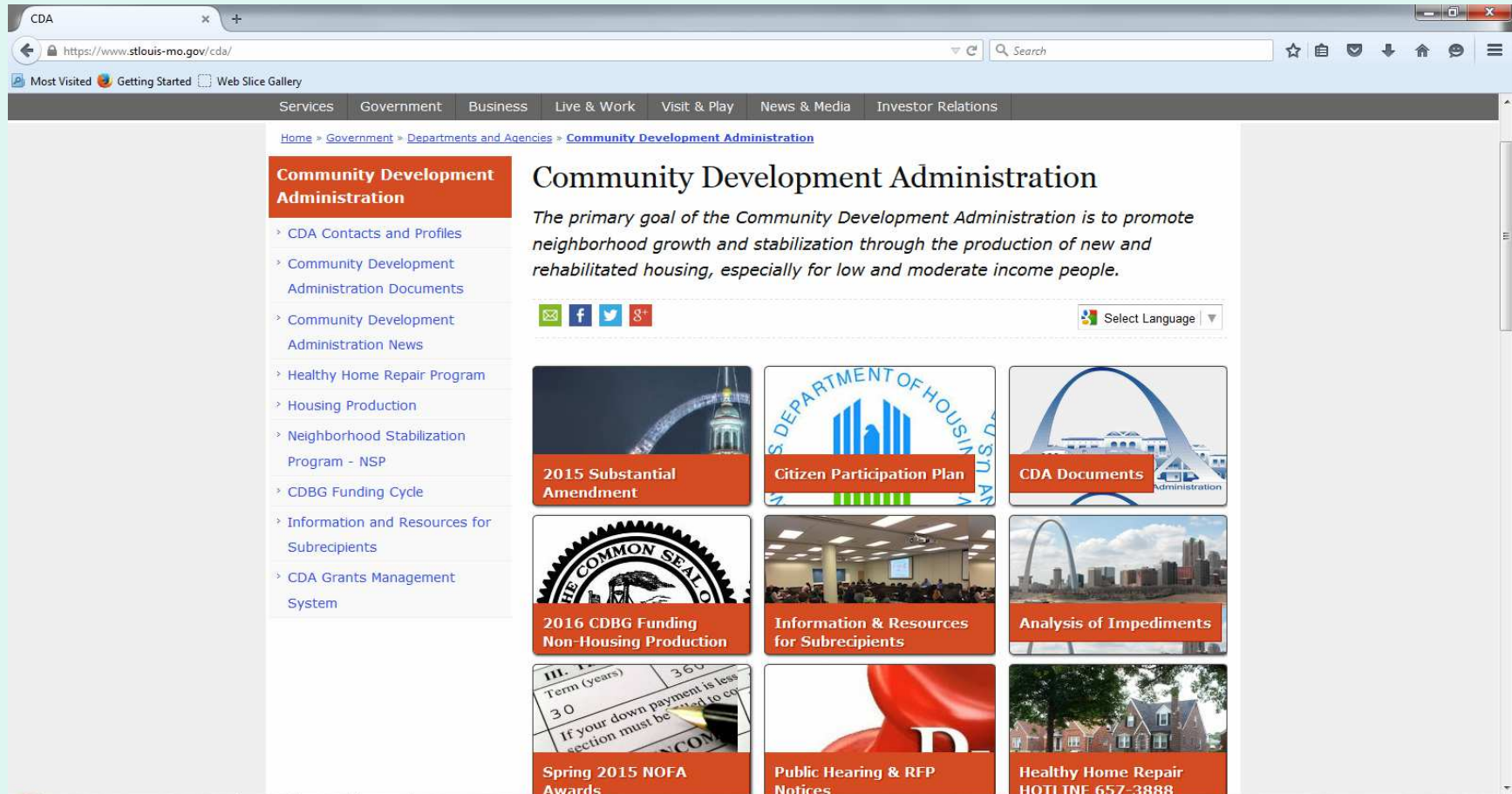
Allows for Redevelopment of 98 Housing Units:

94 Rehabilitation, 4 New Construction

# Notification of Awards

CDA announced the funding awards for the Fall 2014 NOFA on June 5, 2015. All respondents received written notification of their status, as applicable. CDA also published a list of all funding awards and recipients on its website.

# https://www.stlouis-mo.gov/cda



July 17, 2015

NOFA Awards Workshop

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# CONGRATULATIONS!

...What next?



# Predevelopment Process

- Finalize Site Options/Purchase Contracts
- Design Review  
CDA, CRO, SHPO, LCRA
- Contract Compliance  
MBE/WBE, Section 3, Davis-Bacon  
Energy Star, Lead (RRP), Asbestos, Noise
- Budget Approval  
TDC = Hard Costs & Soft Costs  
Caps on Profit & Overhead Items  
NOFA Award subject to CDA Budget Approval
- Secure Financing Commitments  
Construction, Bridge, and Gap Loans

# Rules & Regulations

- Section 106 Review
- MSD Review
- Environmental Assessment
- Lead-Safe Housing (Lead-Safe Work Practices)
- Asbestos (ACBM & Air Disturbances)
- Radon Clearance
- Energy Star Certification
- Noise Pollution (Interior/Exterior)

# Rules & Regulations (continued)

- MBE/WBE Participation
  - 25% MBE Utilization & 5% WBE Utilization
- Section 3
  - CDA funding equal or greater than \$100,000  
(excluding pre-paid acquisition costs, if applicable)
- Davis-Bacon
  - CDBG or NSP: 8 or more units
  - HOME: 12 or more units

# Section 106 – Design Review

Developments involving federal funds cannot create an adverse effect on property listed or eligible for listing in the National Register of Historic Places.

- Acquisition Activities
- Rehabilitation Activities
- Demolition Activities

# Lead Remediation

- Not applicable to new construction
- Applicable to properties constructed prior to 1978
- Most projects funded under this NOFA have to address lead

# Lead Remediation-continued

- Federal regulations governing lead
  - Environmental Protection Agency (EPA)
    - EPA's Renovation, Repair and Painting Program  
"Renovate Right" 40 CFR Part 745
  - Department of Housing and Urban Development (HUD)
    - HUD- Lead-Safe Housing Rule 24 CFR Part 35

# Lead Remediation-continued

- Renovate Right Requirements
  1. Trained individuals (8-hour course) when conducting any activities disturbing a painted surface
    - Demolition
    - Carpentry
    - Windows
    - Painting
    - Trades-Plumbing, Electrical, HVAC

# Lead Remediation-continued

- Renovate Right requirements-continued:
  2. Individual and firm certification required
  3. Certification and safe-work practices required for **any** projects-not just publicly funded projects
  4. Posting of informational signs
  5. Record retention for 3 years



# Lead Remediation-continued

- CDA Requirements:
- Presumption no longer allowed
- Testing through the Building Division required
  - Full Lead Inspection and Risk Assessment (LIRA)
  - Clearance Testing

# Lead Remediation-continued

- Benefits of this approach:
  - Identify all lead-bearing surfaces
  - Allows workers to know where hazards are located
  - Allows for the use of non-certified workers if surfaces are not lead

# Lead Remediation-continued

- One contact person at Building will handle all requests
  - Adam Coats, 641-8326
- Pricing:
  - Initial LIRA:
    - \$150, plus \$10 per dust wipe sample
  - Clearance testing:
    - \$150, plus \$10 per dust wipe sample

# Lead Remediation-continued

- Demolition activities
  - Reduce lead dust by spraying with water
  - Asbestos Report required
  - Building Division can supply additional information when permit is obtained

# Lead Remediation-continued

- Developer requirements
  - Submit a lead remediation plan
    - Needs to address all issues identified in LIRA
  - Provide proof of EPA Renovate Right certificates with **each** draw request
  - Ensure that all contractors and subcontractors have appropriate certifications

# MBE & WBE Participation

## Mayor's Executive Order #28

- Local program established to ensure that minority-owned and women-owned businesses have the maximum opportunities to participate in City-funded contracts.

## Participation Goals (also professional services)

- 25% utilization of minority business enterprises (MBE)
- 5% utilization of women business enterprises (WBE)

# **FORM TO BE ATTACHED TO ANTICIPATED MBE/WBE UTILIZATION PLAN**

Project: 0000.0000      Total Square Feet: 0  
 Address: 0      Total Units: 0  
 Date:



Line Item	Construction Budget	MBE/WBE Subcontractor Name & #	MBE Contract Amt	WBE Contract Amt
1 General Requirements	\$0			
2 Existing Conditions	\$0			
3 Concrete	\$0			
4 Masonry	\$0			
5 Metals	\$0			
6 Wood and Composites	\$0			
7 Thermal and Moisture Protection	\$0			
8 Openings	\$0			
9 Finishes	\$0			
10 Specialties	\$0			
11 Equipment	\$0			
12 Furnishings	\$0			
13 Special Construction	\$0			
14 Fire Suppression	\$0			
15 Plumbing	\$0			
16 HVAC	\$0			
17 Electrical	\$0			
18 Communications	\$0			
19 Earthwork	\$0			
20 Exterior Improvements	\$0			
21 Utilities	\$0			
<b>TOTAL HARD COSTS</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>
			<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Other subcontracted soft costs:</b>				
			<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>TOTAL MBE/WBE</b>	<b>-</b>		<b>\$0</b>	<b>\$0</b>
<b>MBE/WBE</b>			<b>#DIV/0!</b>	<b>#DIV/0!</b>

Welcome to Disadvantage... x +

www.mwdbe.org

Most Visited Getting Started Web Slice Gallery

Home Certification Compliance Calendar Living Wage Directory Useful Links

 **DBE Program Office** 

**For new applicants only  
Certification Portal**

*Please note: The Online Portal website is designed and recommended for use with the Firefox browser. You can also use Internet Explorer version 10 or earlier.*

Login  
[Click Here](#)

Register and Apply Online  
[Click Here](#)

[Certification Program Overview](#)

**Event Registration**

*Register here (for all upcoming events)*  
[Register and Apply Online](#)

**Public Notice**

[Overall DBE Goal Notice](#)  
[Overall DBE Goal Methodology](#)


**Contact Us**


Have you moved?  
Changed your contact information?  
Got a new email address?  
If so we want to know.  
[CLICK HERE](#)


**Resources**

Mayor's Executive Order 28 as Amended Contract Opportunities

PDF

 Mayor's Executive Order

 Final Rules


 Final Guidelines

Whats New Meetings Workshop Calendar

**The MWD BE Program office now has an Online Portal!**

This new portal allows you to apply online and then manage your firm through the portal. To begin either login above under Certification Portal, or if you have not already registered, click on the "Register and Apply Online" to get started.

**DOT's Disadvantaged Business Enterprise Program**





# Section 3 of Housing & Urban Development Act of 1968

Applies to all HUD-funded projects involving housing rehabilitation, housing construction, and other public construction where the amount of federal assistance exceeds \$100,000

– includes subcontracts exceeding \$100,000

- CDBG
- HOME
- NSP

# Federal Labor Standards Compliance (Davis-Bacon and Related Acts)

- Prevailing Wage Provisions
- Construction Contract Management System
- Job Site Posting Requirements
- Weekly Certified Payrolls
- On-Site Interviews

# Additional Regulations & Guidelines – Rental Projects

- Property Management Plan
- Operating Budget
- Capital Needs Assessment (CNA)
- Affirmative Fair Housing Marketing Plan

# Compliance Periods

## HOME and NSP Programs

<u>Construction Type</u>	<u>Per Unit Subsidy Amount</u>	<u>Compliance Period</u>
Rehabilitation	Less than \$15,000	5 years
	\$15,000 - \$40,000	10 years
	More than \$40,000	15 years
New Construction	Any amount	20 years

# Board of Estimate & Apportionment

Contracts with the City of St. Louis must be approved by E&A before commencing.

- Mayor
- President of the Board of Alderman
- Comptroller

# E&A Preparation

## Monthly Meeting of the Board of E&A

### Inclusion on Agenda Requires:

- Design Approval (CDA & CRO/SHPO)
- Construction Budget Approval
- Appraisal
- Anticipated MBE/WBE Utilization Plan Approval
- Preliminary Section 3 Plan Approval (if applicable)
- Preliminary Davis-Bacon Plan Approval (if applicable)
- Management Plan & Operating Budget (rental only)
- Final Dollar Amount of CDA Financing Request

# CDA Conditional Commitment Letter

## CDA Funds Reservation

- Conditional/Contingent  
Project-Specific, Acknowledgement, Expiration Date
- Use of Funds Breakdown
- Disclaimers
  - E&A Approval is not a legally binding commitment
  - CDA funding requires fully executed legal documents
  - Any work conducted without all City approvals and all signed legals is done so solely at Developer's own risk

# Construction Period Closing

- **Construction Financing**
  - Construction Loan, Bridge Loan, Gap Loan  
Promissory Notes, Loan Agreements, Deeds of Trust
- **Development Site Ownership**
  - Property Title, All Parcels (unless phased)  
Warranty Deed (General or Special)
- **Disbursement Procedures**
  - Loan Calculation Sheet
- **Grant Agreements/Regulatory Agreements**
  - Agreement for Covenants & Restrictions



EXHIBIT B WITH SOURCES--LOAN CALCULATION SHEET										
Project: 0.0000										
Address: 0										
Date:										
Line Item	Approved Budget	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
	\$0	CDA Gap \$0	CDA Loan \$0	CDA Tx Cr Loan \$0	CDA Total \$0	AHTF \$0	Bank Loan \$0	Developer's Funds \$0	Other \$0	Proceeds \$0
1 General Requirements	\$0				\$0					\$0
2 Existing Conditions	\$0				\$0					\$0
3 Concrete	\$0				\$0					\$0
4 Masonry	\$0				\$0					\$0
5 Metals	\$0				\$0					\$0
6 Wood and Composites	\$0				\$0					\$0
7 Thermal and Moisture Protection	\$0				\$0					\$0
8 Openings	\$0				\$0					\$0
9 Finishes	\$0				\$0					\$0
10 Specialties	\$0				\$0					\$0
11 Equipment	\$0				\$0					\$0
12 Furnishings	\$0				\$0					\$0
13 Special Construction	\$0				\$0					\$0
14 Fire Suppression	\$0				\$0					\$0
15 Plumbing	\$0				\$0					\$0
16 HVAC	\$0				\$0					\$0
17 Electrical	\$0				\$0					\$0
18 Communications	\$0				\$0					\$0
19 Earthwork	\$0				\$0					\$0
20 Exterior Improvements	\$0				\$0					\$0
21 Utilities	\$0				\$0					\$0
22 Contingency	\$0				\$0					\$0
TOTAL HARD COSTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23 Predevelopment Costs	\$0				\$0					\$0
24 Building & Property Acquisition	\$0				\$0					\$0
25 Professional Services	\$0				\$0					\$0
26 Carrying & Finance Costs	\$0				\$0					\$0
27 Seller's Closing Costs	\$0				\$0					\$0
28 Developer Fee	\$0				\$0					\$0
TOTAL SOFT COSTS:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEVELOPMENT COSTS (T	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Direct Assistance to Buyer	\$0	Affordability Gap Subsidy provided directly to buyers, NOT during construction.								

# Form V – Notice of Approval to Proceed

## Section 4 of CDA Loan Agreements – Conditions Precedent

- Architectural Contract
- Construction Contract
- Certificate of online Energy Star builder orientation for GC
- Lead Inspection and Risk Assessment (LIRA) & Remediation Plan
- Tax Credit Award & Approval
- Tax Credit Purchase Agreement
- Affirmative Fair Housing Marketing Plan  
(5 units or more)
- CBI Clearance
- Survey
- Title Insurance Policy
- Liability Insurance Policies
  - Fire & Extended Coverage
  - Builder's Risk
  - Comprehensive General
  - Worker's Compensation
- Private Construction Loans
- Disbursing Agreement
- Building Permit
- Recorded Legal Documents

# Construction Period

- Construction Schedule
- Contingency
- Monitoring & Inspections
  - Payment Requests
    - Work for payment requested must be completed
    - % CDA funding = % construction completion
  - Change Orders
    - Amendments to Construction Schedule
    - Special approval needed if changes to gap financing
- Retainage (minimum 10%)

## Payment Request Worksheet

Draw # \_\_\_\_\_  
 Project Address: \_\_\_\_\_  
 Owner: \_\_\_\_\_  
 General Contractor: \_\_\_\_\_  
 Escrow Account #: \_\_\_\_\_  
 Date Prepared: \_\_\_\_\_

Item #	Payee	Invoice or Date	Payment Amount Requested	Budget Category	Payee's Supplier (if applicable)	Final Payment (yes/no)
Total Amount Requested						

The undersigned hereby request payments be issued to the listed payees for the invoices and amounts set forth; copies of the invoices attached. The undersigned hereby certifies that the payments requested are for work or services performed and/or materials provided for this project only, and that such payments are consistent with the terms and conditions of the Construction Escrow Agreement. For each payment that is for labor and materials, the payee's suppliers have been identified.

Owner/Developer \_\_\_\_\_ Date \_\_\_\_\_  
 General Contractor \_\_\_\_\_ Date \_\_\_\_\_  
 Construction Supervisor \_\_\_\_\_ Date \_\_\_\_\_  
 Housing Analyst \_\_\_\_\_ Date \_\_\_\_\_

**COMMUNITY DEVELOPMENT ADMINISTRATION**  
**REQUEST FOR CHANGE ORDER**

Date Initiated: \_\_\_\_\_ Change Order # \_\_\_\_\_  
Project Name/Address: \_\_\_\_\_

This Change Order is made to modify, change, or clarify the work under the above captioned Project, and this order is made a part of the Contract. This Change Order supersedes any previous drawings, work orders, specifications, or agreements made regarding the work in question.

The changes, modifications, and clarifications are as follows:

<u>Line Item</u>	<u>Add to</u> <u>Line Item</u>	<u>Subtract from</u> <u>Line Item</u>
<u>1.</u>		
<u>2.</u>		
<u>3.</u>		
<u>4.</u>		
<u>5.</u>		

(ATTACH ADDITIONAL SHEET(S) IF NEEDED)

Total Extras or Credits to Contract for this Change Order \$ \_\_\_\_\_

Net amount of this change order \$ \_\_\_\_\_

Amount of original construction budget \$ \_\_\_\_\_

Net amount of previous changes within construction budget \$ \_\_\_\_\_

Previous adjusted total construction budget \$ \_\_\_\_\_

Net amount of this change \$ \_\_\_\_\_

Adjusted total construction budget \$ \_\_\_\_\_

Net amount of previous payments \$ \_\_\_\_\_

Balance due on adjusted total construction cost \$ \_\_\_\_\_

The project time will be (increased) (decreased) (unchanged) by this change order, making the date of substantial completion of this project \_\_\_\_\_, as of the date of this change.

ALSO ATTACHED IS A REVISED DEVELOPMENT BUDGET ("EXHIBIT B" FROM THE DISBURSING AGREEMENT) INDICATING BOTH THE ORIGINAL BUDGET AND PROPOSED CHANGES

**APPROVAL**

Please review this request and line item revisions. If you approve the change order and the line item revisions, please sign and date in the proper space below. RETURN THIS DOCUMENT TO COMMUNITY DEVELOPMENT ADMINISTRATION, RESIDENTIAL HOUSING DEVELOPMENT SECTION, 1015 LOCUST ST., SUITE 1140, ST. LOUIS, MO 63101 ATTENTION: HOUSING ANALYST.

General Contractor \_\_\_\_\_ Date \_\_\_\_\_

Owner/Developer \_\_\_\_\_ Date \_\_\_\_\_

CDA Construction Inspector \_\_\_\_\_ Date \_\_\_\_\_

CDA Housing Analyst \_\_\_\_\_ Date \_\_\_\_\_

Construction Lender \_\_\_\_\_ Date \_\_\_\_\_

Disbursing Agent \_\_\_\_\_ Date \_\_\_\_\_

# General Contractor Reporting

- **Certificate of Energy Star Orientation**
  - HVAC contractor must provide before CDA will process Payment Request for HVAC category items
- **Renovation, Repair, & Painting Certificates**
  - Required for all on-site workers until lead clearance received
  - Must be submitted to CDA with each Payment Request
- **Invoice Backup Documentation**

# Form IX – Notice of Final Approval

## Section 6 of CDA Loan Agreements – Final Disbursement

- Energy Standards Certificate
- Energy Audit Report
- Energy Star Certification
- Certificate of Lead Compliance
- Lead Clearance Test Results
- Certificate of Radon Compliance
- Radon Clearance Test Results
- Occupancy Permit
- Cost Certification or Disbursement Report
- Project Information Form Contractors/Subcontractors
- Final Section 3 Summary Report
- Final Davis-Bacon Summary Report
- Final MBE/WBE Utilization Report
- CDA Final Inspection/Approval

# Beneficiaries – For Sale

- Real Estate Sale Contract
- Appraisal
- Inspection Report (or signed waiver)
- Annual Income Verification
  - Paystubs, Tax Returns/W-2s, Bank Statements
  - Dependent Income Verification (if applicable)
- Pre-Purchase Homebuyer Counseling
  - Minimum 8 hours from HUD-approved agency
- Homeowner's Insurance
  - CDA named as additionally insured
- Home Warranty Plan



# Beneficiaries – Rental

- Lease Agreement
- Income Verification – Original Sources
  - Paystubs, Tax Returns/W-2s, Bank Statements
  - Dependent Income Verification (if applicable)
- Annual Tenant Income Certifications (TICs)
  - Reporting to CDA Asset Manager
  - Includes initial move-ins and renewals

# Income Limits – FY2015

AMI%	Family Size							
	1	2	3	4	5	6	7	8
30%	\$14,800	\$16,900	\$19,000	\$21,100	\$22,800	\$24,500	\$26,200	\$27,900
50%	\$24,650	\$28,150	\$31,650	\$35,150	\$38,000	\$40,800	\$43,600	\$46,400
60%	\$29,580	\$33,780	\$37,980	\$42,180	\$45,600	\$48,960	\$52,320	\$55,680
65%	\$32,045	\$36,595	\$41,145	\$45,695	\$49,400	\$53,040	\$56,680	\$60,320
80%	\$39,400	\$45,000	\$50,650	\$56,250	\$60,750	\$65,250	\$69,750	\$74,250
120%	\$59,050	\$67,500	\$75,900	\$84,350	\$91,100	\$97,850	\$104,600	\$111,350

# Affordable Pricing – FY2015

## HOME Homeownership Value Limits

95% of the median purchase price for the area

	Rehabilitation	New Construction
• 1-Family	\$142,000	\$200,000
• 2-Family	\$182,000	\$255,000
• 3-Family	\$221,000	\$309,000
• 4-Family	\$273,000	\$383,000

# Rental Guidelines – HOME Units

- Rent + Utility Allowance = Rent Limit
- All tenants must be at or below 60% AMI at initial occupancy
- No tenant may be above 80% AMI
- For all projects consisting of 5 or more units, at least 20% of HOME-assisted units must be rented to households at or below 50% AMI and at the “Low” HOME Rent
- No unit may be rented above “High” HOME Rent Limit

# Affordable Rents – FY2015

	Efficiency	1-Bed	2-Bed	3-Bed	4-Bed
Low HOME	\$543	\$633	\$792	\$915	\$1,021
High HOME	\$543	\$633	\$816	\$1,063	\$1,206

# Important Dates & Benchmarks

- June 5, 2015: Award Announcement
- December 1, 2015: E&A Agenda Deadline
- March 25, 2016: Closing Deadline
- May 27, 2016: First CDA Draw
- March 31, 2017: Construct Complete Deadline  
(or expiration of CDA loan, whichever is sooner)
- April 28, 2017: Close-Out Deadline

CDA may consider extensions on a limited basis. All such requests must be submitted in writing and must include an alternate schedule for project completion.

# Equal Opportunity Employer

**The funding of this program is financed in part through a grant from the Department of Housing and Urban Development and the Community Development Administration under the provisions of Title I of the Housing and Community Development Act of 1974 (P.L. 93-383).**



# Contact Information

City of St. Louis  
Community Development Administration  
1520 Market Street, Suite 2000

Matthew Sisul, Residential Development Manager  
1520 Market Street, Suite 2000  
St. Louis, MO 63103  
(314) 657-3814  
[SisulM@stlouis-mo.gov](mailto:SisulM@stlouis-mo.gov)